

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:3087
ANSWERED ON:18.12.2008
USE OF DOMESTIC LPG AS AUTOMOBILE FUEL
Rajendran Shri P.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the steps taken by the Government to restrict the use of domestic Liquefied Petroleum Gas (LPG) as automobile fuel ;
- (b) whether the Government has any proposal to make the Compressed Natural Gas (CNG) conversion kits for automobiles readily available in the market at cheaper cost than LPG conversion kits ; and
- (c) if so, the details thereof and the steps taken in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS(SHRI DINSHA PATEL)

(a) : Government has not given approval for use of subsidized domestic LPG in vehicles. However, Government have permitted the sale of auto-LPG for vehicles vide Liquefied Petroleum Gas (Regulation of Use in Motor Vehicle) Order, 2001. As per the Control Order, only imported or import-substituted auto LPG can be used in vehicles.

The possibility of diversion of subsidized domestic LPG can not be ruled out due to the huge difference in the price of subsidized and non-subsidized LPG.

The following measures have been taken to prevent the diversion of domestic LPG cylinders for non-domestic purposes :

(i) Under the LPG (Regulation of Supply and Distribution) Order, 2000 promulgated under the Essential Commodities Act, 1955, the diversion / black marketing of domestic LPG cylinders for commercial purposes by the distributors of OMCs is prohibited.

The State Governments are empowered to take action against erring distributors under the provisions of this Order. The State Governments have been alerted from time to time to take steps against the black marketing of domestic cylinders for unauthorized usage.

(ii) The officials of OMCs carry out random checks at distributors godown, delivery point, as well as en-route to ensure that no diversion / black marketing takes place. In terms of the MDG, in case of establishment of any diversion of domestic LPG cylinder for commercial purposes, the following action is taken against the distributor:-

Fine of Rs. 20,000 plus the price of LPG diverted at commercial rates for 1st offence.

Fine of Rs. 50,000 plus the price of LPG diverted at commercial rates for 2nd offence, and

Termination of the distributorship for 3rd offence.

(b) & (c) : No, Sir. OMCs have reported that presently the market price of LPG conversion kits for automobiles are much lower than the price of CNG conversion kits.